

# EXHIBIT “A”



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November 23, 2022

**Via Email**

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Dear Ladies and Gentlemen:

We write on behalf of our client North America League of Legends Championship Series, LLC (“Riot”) regarding the Strategic Sponsorship Agreement with West Realm Shires Services, Inc (“FTX”) dated August 21, 2022 (“Agreement”). A copy of the Agreement is attached for your easy reference.

Pursuant to the Agreement, as the exclusive sponsor in the “Cryptocurrency Exchange” category in the North America League of Legends Championship Series, Riot is to promote the FTX name and brand in the series, which hosts various widely broadcasted live-event competitions featuring competitive play of the League of Legends game. FTX is designated as the “Official Cryptocurrency Exchange Partner of the LCS” under the Agreement.

FTX, for its part, is obligated to make a payment of \$12,500,000 for calendar year 2022. All of the services required to be performed by Riot under the Agreement for 2022 have been performed and provided. To date your client has paid the sum of \$6,250,000 and there is a balance of \$6,250,000 still due and remaining under the Agreement for the 2022 calendar year. The amount of \$3,125,000 is overdue since August, and another obligation of \$3,125,000 is due at the end of November. For 2023, FTX will owe an amount of \$12,875,000 with the first quarterly installment due on the first business day of January in the amount of \$3,218,750. For years 2024 through 2028 there is a further aggregate amount of \$70,405,778 payable by FTX.

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Separate and apart from the financial default under the Agreement, the disastrous financial malfeasance undertaken by FTX, its principals and related entities (the “FTX Group”), as reported by numerous reputable news sources throughout the United States, has brought significant public disrepute and rebuke on FTX. In his filing with the United States Bankruptcy Court for the District of Delaware, new FTX Chief Executive Officer, John J. Ray III, states: “Never in my career have I seen such a complete failure of corporate controls and such a complete absence of trustworthy financial information as occurred here. From compromised systems integrity and faulty regulatory oversight abroad, to the concentration of control in the hands of a very small group of inexperienced, unsophisticated and potentially compromised individuals, this situation is unprecedented.”

Publications and news outlets throughout the United States have reported on these events. As *The New York Times* recently stated, the “savings of hundreds of thousands of customers who deposited their holdings on the FTX platform are in jeopardy.” The events which led to FTX’s collapse call into question whether the FTX Group has engaged, at best in corporate mismanagement, and at worst criminal conduct.

The continued association of the irreparably-tarnished FTX name and brand on or in connection with the North America League of Legends Championship Series would, in turn, tarnish Riot’s brand and the valuable goodwill currently enjoyed by Riot in the eyes of the public.

Section 10.3(b) of the Agreement provides that Riot and FTX maintain reciprocal rights to terminate the agreement if the other “commits any act or becomes involved in any situation or occurrence which...brings the Impacted Party’s [Riot’s] products and services into material public disrepute, and such impact may not be reasonably addressed or mitigated through the Impacted Party’s good faith efforts.”

Section 10.3(b) of the Agreement further states: “In the event of such act, situation or occurrence, the Impacted Party shall notify the other Party [FTX] thereof as soon as possible, and both Parties shall elevate to their respective senior management to jointly discuss in good faith any potential remedies and options which may be taken in order to reasonably address the other Party’s concerns and mitigate such material adverse effect”.

Although the negative impact of the FTX Group’s publicly reported fiscal misconduct is irredeemable, Riot has nevertheless attempted to confer with FTX. These attempts have been to no avail. Over the past two weeks, Riot has called FTX on several occasions and emailed Claire Watanabe and Sam Bankman-Fried. Riot has also attempted to reach FTX through FTX’s agency of record, Wasserman. Aron Moore and Jason Banks, our contacts at Wasserman, confirmed they have not had contact with anyone from FTX.


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The severity of the allegations against FTX require us to act quickly to minimize our client's reputational damage. It is our preference for FTX to concede to a voluntary termination of the Agreement. Provisions permitting termination of a contract upon negative, unethical, immoral, and/or criminal behavior of a party are enforceable under California law and the laws of many other states. We have no doubt that Section 10.3(b) of the Agreement is likewise enforceable.

If we do not have your voluntary consent to a mutual termination of the Agreement on or before 5:00 pm Pacific Time on Friday December 2, 2022, we will file a motion with the Bankruptcy Court to seek relief from stay to terminate the Agreement and other appropriate relief.

We look forward to hearing from you.

Sincerely,



Brian L. Davidoff

BLD/VA

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